

## **SPECIAL NOTICE REGARDING JOINT VENTURES**

On November 4, 1998, the Illinois Department of Transportation adopted amended administrative rules governing "Prequalification of Contractor & Issuance of Plans & Proposals". Pursuant to those rules, procedures for analysis and Authorization to Bid on for joint ventures on state lettings will henceforth be as follows:

- 1) Prequalified contractors may combine their available bidding capacity and request Authorization to Bid for a single contract to bid as a joint venture after department approval.
- 2) Each request for approval of joint venture shall be indicated by the filing of a Certificate for Joint Venture for each contract for which approval is sought. It identifies the managing party and indicates the conditions under which the joint venture exists. The joint venture agreement shall be available to the department for inspection. Each joint venture party shall also submit an Affidavit of Availability. The original Certificate and Affidavits must be received not later than 4:30 p.m. prevailing time seven days prior to the scheduled date of the letting for which Authorization to Bid is sought.
- 3) Very large and complex projects may be designated as being eligible for "unrestricted joint venturing", and will be clearly denoted as such in the Service Bulletin. These projects will not be subject to restrictions with respect to the number of parties or other joint venture conditions, but will still be required to submit a Certificate of Joint Venture and individual Affidavits by the aforementioned time and date before Authorization to Bid will be considered.
- 4) On projects estimated by the department at greater than \$1,000,000 and not designated for "unrestricted joint venturing", joint ventures shall have no more than three parties.
- 5) On projects estimated by the department at less than \$1,000,000, joint ventures shall have not more than three parties. One or more of the parties must have insufficient available individual prequalification ratings to be Authorized to Bid, unless one of the following conditions exists:
  - a) There is fifty-one percent or more common controlling ownership between the parties.
  - b) There is common management between the firms where the officers, directors or general partners control the board of directors and/or management of each party.
- 6) Contractors with financial ratings based upon unaudited financial statements will not be permitted to joint venture with each other to bid contracts which the department estimates at greater than \$500,000. However, such firms may be permitted to joint venture with firms who have a financial rating based upon an audited statement to bid on contracts the department estimates at greater than \$500,000.
- 7) If a party's work rating is limited by its maximum financial rating, the full value of the computed work rating will be used in analyzing the joint venture request. However, the combined maximum work rating in any category shall not exceed the combined financial ratings of the joint venture.

Copies of all required joint venture forms are attached to each Service Bulletin.

Please note that signed and notarized originals of all required joint venture forms mentioned above must be received by 4:30 p.m. prevailing time seven days prior to the scheduled letting date. These forms should be mailed to the following address:

Illinois Department of Transportation  
Bureau of Construction  
2300 S. Dirksen Parkway, Room 322  
Springfield, Illinois 62764

Direct any questions to the Prequalification Engineer, at 217-782-3413.

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